



**Department of Homeland Security
Science and Technology (S&T) Directorate**

**SILICON VALLEY OFFICE
5-YEAR
INNOVATION
OTHER TRANSACTION SOLICITATION
(OTS)
HSHQDC-16-R-B0005**

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1. GENERAL INFORMATION

1.1 Introduction.

1.1.2 The mission of the U.S. Department of Homeland Security (DHS) includes rapid identification and development of new technologies to counter emerging threats. Traditional procurement and assistance processes sometimes take too long and are ineffective at deploying state-of-the-art Homeland Security innovations. Therefore, DHS has developed an Innovation framework to be implemented utilizing the flexibility of an Other Transaction Solicitation (OTS) to engage non-traditional Government contractors, including start-up companies. This engagement is intended to better understand and assist new companies so they have more opportunities to work with the Department. Through targeted ***non-dilutive funding*** and providing ***opportunities for operational testing and market access***, DHS hopes to incentivize product developers to open the aperture of their development roadmaps to include homeland security solutions. DHS refers to this OTS, and will refer to subsequent OTS amendment employing this framework, as an “Innovation OTS.”

1.1.3 The objective of the Innovation OTS is to promote competition among non-traditional Government contractors, with a streamlined approach to address specific needs related to Homeland Security. Furthermore, in general, technical topics for the Innovation OTS will be the result of either “ideation” workshops that focus on specific needs related to Homeland Security, or joint DHS operator S&T requirement gathering activities (e.g., Homeland Security Industry Days.) Therefore, under the auspices of the Innovation OTS, calls will be issued to seek solutions to the technical topic areas resulting from ideation workshops.

1.1.4 This Innovation OTS will employ a streamlined evaluation approach where, in response to a call, vendors submit a short written application, and at DHS’ discretion, the vendor may be subsequently asked to provide an oral presentation or pitch (via an in person meeting or video teleconference). Applications and pitches, will undergo a real-time scientific evaluation by a DHS evaluation panel. The DHS evaluation panel will make up to 20 funding recommendations for each topic area. In addition, to further speed the availability of solutions to DHS, applications will be evaluated and selected for funding independently. Finally, the anticipated time to award after notification that an application has been selected for funding, is 30 days.

1.1.5 DHS is working to simplify the process for innovative companies to work with us to solve a series of security threats. Awards will be made using Other Transactions. OTs allow federal agencies to implement faster and streamlined methods and don’t carry all the requirements of procurement contracts. OTs are designed specifically for non-traditional performers who do not typically work with the federal government. This Innovation OTS will make it easy for companies with outstanding technology to present new ideas and obtain funding quickly from DHS.

1.2 Agency Name.

Department of Homeland Security

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Science & Technology Directorate
Washington, DC 20528

1.3 Research Opportunity Title. Silicon Valley Office Innovation

1.4 Program Name. Silicon Valley Office Innovation Program

1.5 Research Opportunity Number. SVO OTS HSHQDC-16-R-B0005

1.6 Response Dates. This announcement does not request any applications at this time. Individual calls will be made against SVO OTS HSHQDC-16-R-B0005 by posting in FBO at <http://www.fbo.gov/>. Each individual call will identify submission requirements for applications or pitches.

1.7 Government Representatives.

1.7.1 Science and Technology.

Douglas Maughan, Ph.D.
Senior Executive, Silicon Valley Office &
Director, Cyber Security, Division
Department of Homeland Security
Science and Technology (S&T) Directorate
Washington DC, 20528

1.7.2 Business.

Ms. Cherita Thomas
Other Transaction Agreements Officer
Department of Homeland Security
Washington, DC 20528

1.8 Inquiries.

All contractual or technical inquiries to SVO OTS HSHQDC-16-R-B0005 must be submitted to: DHS-Silicon-Valley@hq.dhs.gov. The program and technical staff will not acknowledge, forward, or respond to any inquiries received in any other manner concerning this OTS or calls issued against this OTS. Contractual questions and answers will be posted periodically in www.fbo.gov under the announcement for this OTS. All inquiries must be in writing and will not be answered verbally.

2. RESEARCH OPPORTUNITY DESCRIPTION

2.1 Anticipated Technical Topic Areas (TTAs). The following TTAs are representative only.

- Internet of Things Security (IoTSec)

- Unmanned Aerial Systems (UAS) Security
- Aviation Security
- Border Security
- Biological Threat Defense
- Counterterrorism
- Cybersecurity
- Support to First Responders

The above TTAs are provided to help interested offerors understand the potential Silicon Valley Office Innovation Program areas. A specific TTA will be identified in each call.

2.2. Program Structure and Phases. The Silicon Valley Office (SVO) Innovation Program acquisition framework is structured into four phases. Each phase is approximately three (3) to six (6) months, with down-selects after each phase. However, each call will describe phase duration, associated funding levels, and expected number(s) of awards per phase. The nominal Innovation OTS phases are described as follows:

2.2.1 Phase 1 – Prototype development to address DHS challenge. Phase 1 awards will be between \$50,000 and \$200,000. This phase is focused on each applicant proving some degree of success to get an initial prototype functioning that addresses some DHS requirements or challenges as identified in a call under this OTS.

2.2.2 Phase 2 – Further prototype development to demonstrate viability. Phase 2 will be a down-select with additional funding provided to be between \$50,000 and \$200,000. This phase builds on the initial prototype, further enhancing the technology to address the DHS user's needs. At the end of this phase, the prototype must demonstrate operational and commercial viability.

2.2.3 Phase 3 – Pilot testing in operational environment. Phase 3 will be a further down-select with additional funding provided to be between \$50,000 and \$200,000. This phase is intended to have prototypes introduced, in pilot testing, into a DHS operational environment to experiment against real conditions. These pilot tests will be fully coordinated with DHS component and operational stakeholders.

2.2.4 Phase 4 – Operational test and evaluation in multiple user scenarios. Phase 4 is an optional phase intended for additional operational testing. If this phase is awarded, additional funding is anticipated to be between \$50,000 and \$200,000 will be awarded. This phase may result in a limited number of prototypes or licenses of the technology in order to test the prototype in multiple user scenarios and conditions, and scaling.

2.3. Advantages of DHS Innovation OTS Program. DHS' Silicon Valley Office and the Innovation OTS program offer a range of advantages to start-up companies and others who may not have previously worked much with the U.S. Government. These benefits include:

- A streamlined application process requiring only minimal corporate and technical

information;

- Fast track selection timelines with contracts awarded within 30 days of notifying an applicant of selection for an award;
- A portion of the funding transferred to awardees shortly after the time of award, providing more flexible cash flow;
- No dilution of ownership;
- Intellectual property is retained by the company;
- Direct and rapid feedback from operators, customers and users within the homeland security enterprise (government agencies and critical infrastructure stakeholders) to help product teams develop and hone product design and functionality;
- Potential follow-on funding for promising technologies and sponsorship of user test cases for prototypes; and
- Successful products and technologies may be eligible for accelerated procurement by DHS and/or other government agencies

DHS also wants to help applicants reach new markets with their technologies. DHS, through a multitude of channels and existing relationships, can help expose companies who participate in the Innovation program to a large network of potential users, suppliers, and distribution partners and co-developers. DHS understands that the homeland security market represents only one opportunity for many companies and we want to help our partners reach larger markets.

3. AWARD INFORMATION

3.1 Anticipated Funding for the Program.

3.1.1 Although subject to official fiscal appropriation, it is anticipated that the SVO Innovation program will have a total of \$20M over the next 5 years to support SVO OTS HSHQDC-16-R-B0005. The estimated value is not a promise of assured funding in that amount. Funding is uncertain and is subject to change. Changes in availability may occur as a result of Government discretion.

3.2 Anticipated Number of Awards. The total number of awards under this solicitation is unknown. However, one or more awards may be made from each call issued during the 5-yr open period of SVO OTS HSHQDC-16-R-B0005.

3.3 Anticipated Award Types.

3.3.1 All awards made for each call issued against SVO OTS HSHQDC-16-R-B0005 will be in the form of Other Transaction for Prototype (OTFP) awards. Further, each OTFP award will be structured with terms and conditions such that there are fixed-price payable milestones and the criteria for payment will be tailored to each specific prototype based on the OTS call.

3.4 Expected Amount of Individual Awards. Individual award amounts may vary based on topic area, the maturity of the technology and other factors. It is anticipated that

base awards will be in the amount of \$50,000 to \$200,000. Optional periods will be included, but may or may not be later funded depending on research/development progress, DHS needs and availability of funding.

3.5 Anticipated Period of Performance for Individual Awards. The period of performance for awards will vary by topic area.

3.6 DUNS Number and SAM. To receive an award under this solicitation, Contractors must have a DUNS number and they must register in SAM. This system verifies identity and ensures that payment is sent to the right party. Considerable help in registering will be provided to those contractors selected for award.

4. ELIGIBILITY INFORMATION

SVO OTS HSHQDC-16-R-B0005 is open only to Non-traditional Government contractors, defined as a business unit that has not, for a period of at least one year prior to the date of the OT agreement for a prototype project, entered into or performed on:

1. Any contract that is subject to full coverage under the cost accounting standards (CAS) prescribed pursuant to Section 26 of the Office of Federal Procurement Policy Act (41 U.S.C. § 1501) and the regulations implementing that section; or
2. Any other procurement contract in excess of \$500,000 to carry out prototype projects or to perform basic, applied, or advanced research projects for a federal agency that is subject to the FAR. (See definition of “procurement contract”).

5. APPLICATION SUBMISSION REQUIREMENTS

5.1 Submission Requirements. Submission requirements, content and formatting for applications shall be in accordance with the individual Topic Announcement Amendment. Offerors should be alert for any amendments to this solicitation.

5.2 Submission Dates and Times. This over-arching OTS is a five (5) year announcement and will remain open until December 9, 2020, 11:59PM, Eastern Standard Time (EST) unless sooner cancelled by the Government. Unless otherwise noted in an amendment to this OTS, applications will be accepted for any announced topic during this open period.

5.3 Multiple Submissions. Offerors may submit multiple applications, however, each submitted application must comply with the terms outlined herein, and will be evaluated separately.

5.4 Mark Proprietary. Offerors are cautioned to mark proprietary any pages of written proposals that contain business plans, technical information, pricing or other business sensitive information.

6. PROCEDURES FOR SUBMITTING APPLICATIONS

Procedures for submitting applications will be detailed in each individual call.

7. EVALUATION OF APPLICATIONS

7.1 General.

7.1.1 Any submitted applications and pitches that do not comply with the requirements of SVO OTS HSHQDC-16-R-B0005 and the individual call issued under the OTS may be rejected as a nonconforming application.

7.1.2 The evaluation of all applications and pitches received that conform to the requirements of SVO OTS HSHQDC-16-R-B0005 and the individual call issued under the OTS will be accomplished through a peer or scientific review panel using the evaluation criteria specified below.

7.2 Evaluation Criteria. The evaluation criteria to be used for the peer/scientific review of both applications and pitches received in response to each call issued under SVO OTS HSHQDC-16-R-B0005 is identified below in descending order of importance.

a. Criterion I: Responsiveness to Technical Topic and Technical Approach. Potential of the technology/solution for meeting the project goals provided in OTS call will be assessed. Also, the technical and managerial approach to the proposed work will be assessed.

b. Criterion II: Offeror's Capabilities and Related Experience. The offeror's prior experience in similar efforts will be assessed to determine if the offeror clearly demonstrates an ability to deliver products that meet the proposed technical performance. The assessment for this criterion will include evaluating the experience of key personnel and any corporate viability requirements specified in an OTS call.

c. Criterion III: Transition Approach. A qualitative assessment will be made regarding how the proposed technology/solution will be transitioned to an operational user (e.g., commercialized or used by a DHS component). The assessment will determine the likelihood that the offeror will be able to deploy a technology and/or solution(s) that can be transitioned effectively to the user community.

7.3 Basis for Selection.

7.3.1 The primary basis for selecting awards shall be the technical Criterion I-III above. Also considered will be relative importance to DHS programs, funding availability and cost reasonableness.

7.3.2 DHS S&T reserves the right to select for award and to fund all, some, portions of, or none of the applications received in response to any calls issued against SVO OTS HSHQDC-16-R-B0005.

7.4 Evaluation Panel.

7.4.1 The evaluation panel will consist of federal employees deemed by DHS to be subject matter experts.

7.4.2 Use of Support Contractor Personnel. DHS S&T intends to use contractor employees to provide administrative assistance to federal employees regarding all aspects of any actions ensuing from SVO OTS HSHQDC-16-R-B0005, including supporting federal employees involved in the evaluation of applications and/or pitches. However, support contractor personnel will not be conducting any evaluations of applications and pitches.

7.5 Notification to Offerors of Evaluation Findings.

7.5.1 Once the scientific evaluation process is complete offerors will be notified via e-mail, or in writing, whether an oral pitch is “encouraged” or the application has not been selected for funding.

7.5.2 For those applications selected to pitch, offerors will be notified via e-mail, or in writing, that its application has been selected, or not selected for award.

7.5.3 Feedback. Offerors not selected for an award may request feedback regarding the scientific review findings of submitted applications and pitches. A written request to the Other Transaction Agreement Officer must be received within 3 calendar days of notification of non-selection.

8. OTHER TRANSACTION SOLICITATION OVERVIEW

This solicitation is an Other Transaction Solicitation (OTS), HSHQDC-16-R-B0005 as permitted by the Homeland Security Act. A formal Request for Proposal (RFP) will not be issued in this matter. Topic Announcements will be issued as individual calls against this OTS. Each Topic Announcement will request applications.

8.1.1 SVO OTS HSHQDC-16-R-B0005 will be open for five years from the date publicized on the Government’s Point of Entry (GPE), Federal Business Opportunities (FBO). The strategy for a five-year OTS with the ability to make calls throughout the life of the OTS will allow for quick and efficient delivery of practical R&D services to generate potential solutions for each technical topic area.

8.1.2 Periodically during the five years, individual calls for applications responding to new technical topic areas will be placed (via amendment advertisement in FBO) against SVO OTS HSHQDC-16-R-B0005. Each call will (1) identify specific details regarding the call technical topic area, (2) identify submission instructions in addition to those outlined in the overarching 5-yr SVO OTS HSHQDC-16-R-B0005, and (3) contain an opening and closing date for applications. The call details will be such that interested and capable contractors can tailor a response and provide a submission in response to the call.

9. OTHER TERMS AND CONDITIONS

9.1 NAICS. The North American Industry Classification System (NAICS) code for this announcement and any calls issued against SVO OTS HSHQDC-16-R-B0005 is 541712, with a small business size standard of 500 employees.

9.2 System for Award Management (SAM). Successful offerors not already registered in the SAM will be required to register in the SAM prior to award of any contract, cooperative agreement, or, if authorized by law at time of award, OT. Information regarding SAM registration is available at <http://sam.gov>.

9.3 Information for Proposal Respondents.

9.3.1 SVO OTS HSHQDC-16-R-B0005 is for planning purposes only. It will not be construed as an obligation on the part of the Government to acquire any products or services.

9.3.2 No entitlement to payment of direct or indirect costs or charges by the Government will arise as a result of submission of responses to any calls issued against SVO OTS HSHQDC-16-R-B0005 and the Government's use of such information. Respondents to any calls issued against SVO OTS HSHQDC-16-R-B0005 may be requested to provide additional information based on their submittals. Unnecessarily elaborate responses containing extensive marketing materials are not desired.

9.3.3 Applications, or any other material, submitted in response to any calls issued against SVO OTS HSHQDC-16-R-B0005 will not be returned.

9.4 Organizational Conflict of Interest

9.4.1 Offerors who have existing or pending contract(s) to provide scientific, engineering, technical and/or administrative support directly to DHS S&T may be considered to have actual or potential conflict of interest, resulting in the one or more offerors with the potential to attain an unfair competitive advantage.

9.4.2 If any such conflict of interest is found to exist, the Other Transaction Agreement Officer may (1) disqualify the offeror, or (2) determine that it is otherwise in the best interest of the United States to contract with the offeror and include the appropriate provisions to mitigate or avoid such conflict in the contract awarded. After discussion with the offeror, the Other Transaction Agreement Officer may determine that the actual conflict cannot be avoided, neutralized, mitigated, or otherwise resolved to the satisfaction of the Government, and the offeror may be found ineligible for award.

9.4.3 Disclosure. Each offeror will be required to represent, as part of its application and to the best of its knowledge that: (1) It is not aware of any facts which create any actual or potential organizational conflicts of interest relating to the award of this OTA; or (2) It has included information in its application, providing all current information bearing on the existence of any actual or potential organizational conflicts of interest, and has included the mitigation plan in accordance with paragraph 9.4.4 below, titled:

Mitigation/Waiver.

9.4.4 Mitigation/Waiver. If an offeror with a potential or actual conflict of interest or unfair competitive advantage believes it can be mitigated, neutralized, or avoided, the offeror shall submit a mitigation plan to the Other Transaction Agreement Officer for review. Award of an OTA where an actual or potential conflict of interest exists shall not occur before Government approval of the mitigation plan.

9.4.5 Other Relevant Information. In addition to the mitigation plan, the Other Transaction Agreement Officer may require further relevant information from the offeror. The Other Transaction Agreement Officer will use all information submitted by the offeror, and any other relevant information known to DHS, to determine whether an award to the offeror may take place, and whether the mitigation plan adequately neutralizes or mitigates the conflict.

9.4.6 Corporation Change. The successful offeror shall inform the Other Transaction Agreement Officer within thirty (30) calendar days of the effective date of any corporate mergers, acquisitions, and/or divestures that may affect this clause.

9.4.7 Flow-down. The awardee shall insert the substance of this clause in each first tier subcontract that exceeds the simplified acquisition threshold.

9.5 Intellectual Property.

Intellectual property terms, like most aspects of the Other Transaction agreement, are negotiable.